

Presentation of
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Mr. Chairman, Members of the Board, Ladies and Gentlemen:

Thank you for inviting me to make a presentation to you about recent global trends in international migration, the prospects that these trends will change in the future, and the ways in which such trends may affect this Board's assessment of future financial inflows and outflows for the Social Security system.

By way of brief introduction, I am Michael Teitelbaum, Program Director at the Alfred P. Sloan Foundation in New York. I am by occupation a foundation executive, but by profession I am a demographer who has conducted extensive research and analytic activities concerning international migration over the past 25 years. In terms of public policy analyses of this subject, I served from 1987 as a Commissioner on the U.S. Commission for the Study of International Migration and Cooperative Economic Development. During the period 1991-1997 I served as a Commissioner, Vice Chair, and Acting Chair of the U.S. Commission on Immigration Reform.¹ My presentation to this Board represents my own professional views, and not necessarily those of the Sloan Foundation.

What are the global patterns and trends in international migration?

The best overview of global patterns and trends in international migration is provided by the Population Division of the United Nations. Its estimates indicate that only a small fraction---3%---of the world's population live outside the country of their birth or residence. However, given the global population base of about 6.1 billion (as of 2000), this small fraction comes to about 175 million persons—a population that taken together would be larger than that of all but five of the countries in the world [China, India, USA, Indonesia, Brazil]. During the period 1995-2000, this number is estimated to have been increasing by about 2.3 million per year.²

The UN data also show that international migration is by no means equally distributed among the world's regions and countries. International migrants accounted for some 8.7 percent of the population in developed countries, vs. just 1.5 percent in developing countries.³ The more developed regions, comprising less than 20 percent of the world population, account for nearly 60 percent of the world's international migrants

¹ Some of the reports and other materials produced by the Commission on Immigration Reform are easily available at: <http://www.utexas.edu/lbj/uscir/>

² United Nations, Population Division, Department of Economic and Social Affairs, International Migration 2002 Data Sheet, United Nations Sales No. E.03.XIII.3, October 2002.

³ United Nations, Department of Social and Economic Affairs, Population Division, International Migration Report 2002, ST/ESA/SER.A/220, New York: United Nations, 2002, p. 11.

(104 million of 175 million total).⁴ Of these 104 million, 41 million reside in Northern America (i.e. the US and Canada), and 56 million in Europe.

(Note: the above estimate for Europe is affected by large numbers of people resident in the newly-independent republics of the former Soviet Union who have never migrated internationally, but no longer reside in their country of birth. In a sense, it is the borders themselves that moved rather than the people who moved across borders, but the people are counted as international migrants).⁵

In absolute terms, the individual country with the largest number of resident international migrants is the United States, with 35 million in 2000 according to the UN definitions. The next largest in absolute terms is the Russian Federation, with 13 million.⁶ (See Figure 1.)

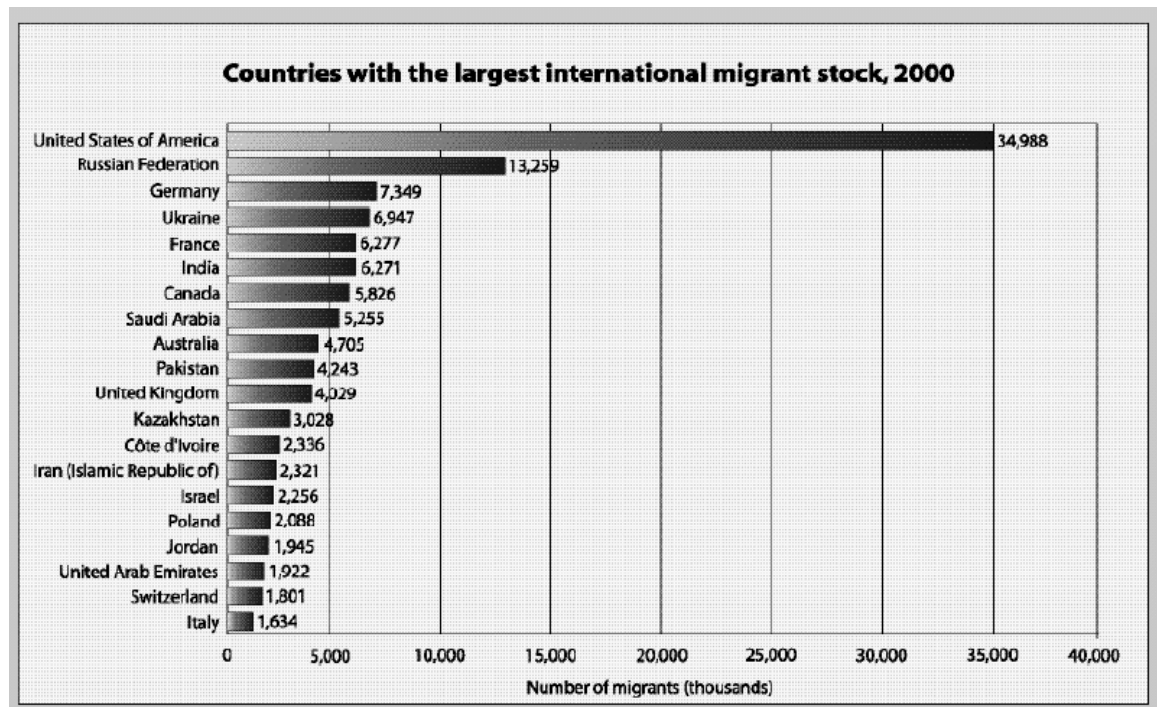


Figure 1: Countries with the largest international migrant stock, 2000 [Source: [United Nations, International Migration 2002 Data Sheet](#)]

Absolute numbers tell only part of the story of course. It is also important to measure international migrants as a percentage of the resident population, and by this measure a very different set of countries appears at the top of the list. In particular, those oil-rich states in the Persian Gulf region that have imported large numbers of temporary workers relative to their small indigenous populations tend to stand out by this measure.

⁴ UN, [International Migration 2002 Data Sheet](#), *op cit*.

⁵ The estimate of 56 million in Europe includes some 20 million in Russia and Ukraine, many of whom may never have moved across national boundaries, but instead were internal migrants within the USSR before its dissolution into 15 independent successor states.

⁶ But see qualification of this estimate in Footnote 5.

For example, nearly $\frac{3}{4}$ of the very small populations of the UAE and Qatar are foreign-born, as is over half the population of Kuwait. Other relatively small Middle Eastern countries such as Israel and Jordan record about 40 percent foreign-born. Unsurprisingly, tiny European principalities such as Andorra, Luxembourg, Liechtenstein, and Monaco also show very high percentages of their residents born elsewhere.⁷

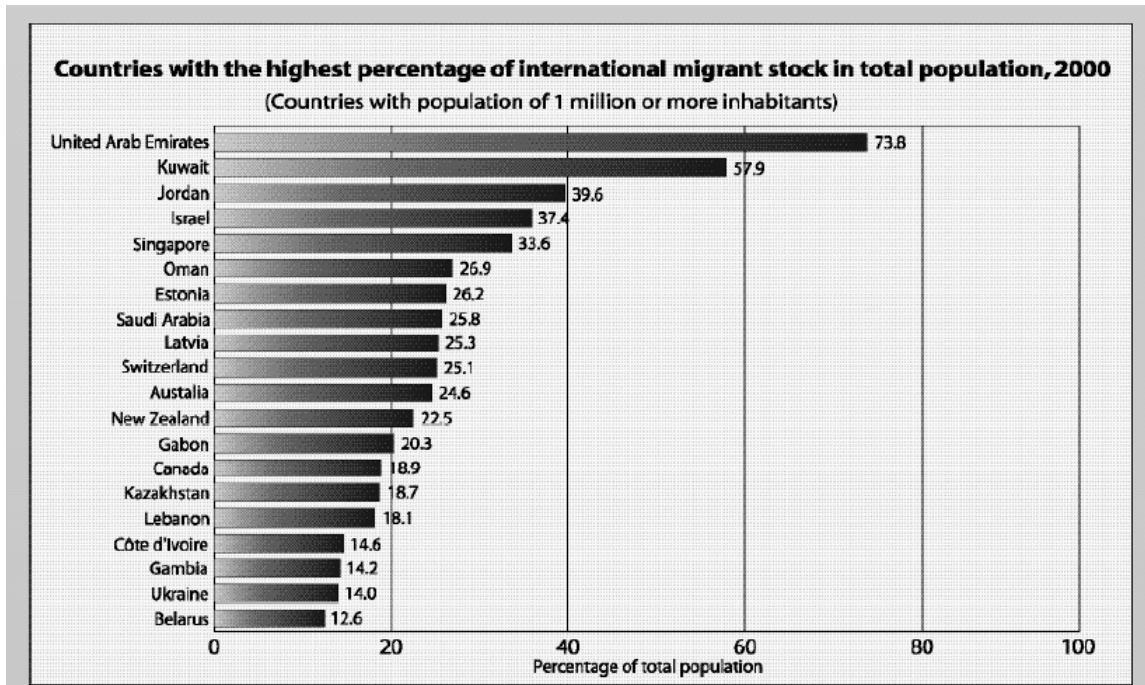


Figure 2: Countries with the highest percentage of international migration stock in total population, 2000. [Source: United Nations, International Migration 2002 Data Sheet]

More generally, while this relative measure is a meaningful one, it is worth noting that countries with the highest percentages of international migrants also tend to be relatively small in population size. Almost all of the 20 countries listed in Figure 2 have small populations, and only three have more than 20 million (Ukraine at 50 million;⁸ Saudi Arabia at about 20 million; Canada at about 31 million).

If we limit assessment to countries with at least moderate population size, defined (somewhat arbitrarily) as 20 million or more, those with the largest percentage of foreign stock are listed in Table 1, below. As may be seen, the only such country with more than

⁷ The extreme case in the UN data, the Holy See (or Vatican City State), reports some 100 percent of the ca. 1,000 residents foreign-born (!).

⁸ For a qualification, see Footnote 5.

Table 1: Countries with Population of More Than 20 Million, Ranked by Percent Foreign Stock

Table 1: Countries ranked by percentage foreign stock, for countries with total populations of 20 million or more

Country or area	Total Population (thousands)	Migrant stock		Number of refugees a/ (thousands)	Net migration (average annual)	
		Number (thousands)	Per cent of population		Number (thousands)	Rate per 1,000 pop.
	2000	2000		2000	1995-2000	
	(1)	(2)	(3)	(4)	(5)	(6)
Saudi Arabia	20,346	5,255	25.8	5	80	4.3
Canada	30,757	5,826	18.9	127	144	4.8
Ukraine	49,568	6,947	14.0	3	-100	-2.0
United States of America	283,230	34,988	12.4	508	1,250	4.5
France	59,238	6,277	10.6	133	39	0.7
Russian Federation	145,491	13,259	9.1	26	287	2.0
Germany	82,017	7,349	9.0	906	185	2.3
United Kingdom	59,415	4,029	6.8	121	95	1.6
Malaysia	22,218	1,392	6.3	50	9	0.4
Uzbekistan	24,881	1,367	5.5	38	-16	-0.7
Poland	38,605	2,088	5.4	1	-20	-0.5
Venezuela	24,170	1,006	4.2	0	0	0.0
Argentina	37,032	1,419	3.8	2	24	0.7
Iran (Islamic Republic)	70,330	2,321	3.3	1,868	-91	-1.4
Spain	39,910	1,259	3.2	7	37	0.9
South Africa	43,309	1,303	3.0	15	-5	-0.1
Pakistan	141,256	4,243	3.0	2,001	-70	-0.5
Italy	57,530	1,634	2.8	7	118	2.0
Nepal	23,043	619	2.7	129	-24	-1.1
United Rep of Tanzania	35,119	893	2.5	681	-47	-1.4
Sudan	31,095	780	2.5	415	-77	-2.6
Uganda	23,300	529	2.3	237	-14	-0.6
Turkey	66,668	1,503	2.3	3	-54	-0.8
Dem Rep of the Congo	50,948	739	1.5	333	-340	-7.1
Republic of Korea	46,740	597	1.3	0	-18	-0.4
Japan	127,096	1,620	1.3	4	56	0.4
Kenya	30,669	327	1.1	206	-3	-0.1
Ethiopia	62,908	660	1.0	198	-7	-0.1
Algeria	30,291	250	0.8	170	-52	-1.8
Bangladesh	137,439	988	0.7	22	-60	-0.5
Nigeria	113,862	751	0.7	7	-19	-0.2
Iraq	22,946	147	0.6	128	8	0.4
India	1,008,937	6,271	0.6	171	-280	-0.3
Thailand	62,806	353	0.6	105	-5	-0.1
Mexico	98,872	521	0.5	18	-310	-3.3
Romania	22,438	94	0.4	2	-12	-0.5
Brazil	170,406	546	0.3	3	0	0.0
Colombia	42,105	115	0.3	0	-40	-1.0
Egypt	67,884	169	0.2	7	-80	-1.2
Myanmar	47,749	113	0.2	..	4	0.1
Philippines	75,653	160	0.2	0	-190	-2.6
Indonesia	212,092	397	0.2	123	-180	-0.9
Peru	25,662	46	0.2	1	-28	-1.1
Afghanistan	21,765	36	0.2	0	16	0.8
Dem Peo. Rep Korea	22,268	37	0.2	..	0	0.0
Morocco	29,878	26	0.1	2	-44	-1.5
China g/	1,275,133	513	0.0	294	-381	-0.3
Viet Nam	78,137	22	0.0	16	-40	-0.5

Notes:

The designations employed and the presentation of the material in the present publication do not imply the expression of any opinion whatsoever on the part of the Secretariat of the United Nations concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries. The designations "more developed regions" and "less developed regions" are intended for statistical convenience and do not necessarily express a judgement about the state reached by a particular country or area in the development process. The term "country" as used in the text of this publication also refers, as appropriate, to territories or areas.

Two dots (..) indicate that data are either not available, insignificant or zero.

A hyphen (-) indicates that the item is not applicable.

A dash (--) indicates that the treaty was not ratified.

The more developed regions comprise all regions of Europe and Northern America, Australia/New Zealand and Japan.

The less developed regions comprise all regions of Africa, Asia (excluding Japan) and Latin America and the Caribbean and the regions of Melanesia, Micronesia and Polynesia.

The least developed countries as defined by the United Nations General Assembly, in March 2001, include 49 countries: Afghanistan, Angola, Bangladesh, Benin, Bhutan, Burkina Faso, Burundi, Cambodia, Cape Verde, Central African Republic, Chad, Comoros, Democratic Republic of the Congo, Djibouti, Equatorial Guinea, Eritrea, Ethiopia, Gambia, Guinea, Guinea-Bissau, Haiti, Kiribati, Lao People's Democratic Republic, Lesotho, Liberia, Madagascar, Malawi, Maldives, Mali, Mauritania, Mozambique, Myanmar, Nepal, Niger, Rwanda, Samoa, Sao Tome and Principe, Senegal, Sierra Leone, Solomon Islands, Somalia, Sudan, Togo, Tuvalu, Uganda, United Republic of Tanzania, Vanuatu, Yemen and Zambia.

a/ Data refer to end of year; zero indicates that there are less than 500 refugees.

b/ Credits only; for countries with no reported data, estimates have been made, which are included in regional and world totals, but which are not shown for the individual countries concerned. Regional estimates have been prepared by the United Nations Population Division

c/ Refers to countries that have ratified the 2000 Protocol against the Smuggling of Migrants by Land, Sea and Air and the 2000 Protocol to Prevent, Suppress and Punish Trafficking in Persons, especially Women and Children. Both Protocols supplement the 2000 United Nations Convention against Transnational Organized Crime. Excepting Venezuela which only signed the Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children, all countries which ratified one Protocol ratified the other Protocol and on the same date.

d/ Including Agalega, Rodrigues and Saint Brandon.

e/ Data refer to 1998 or 1999

f/ Including Ascension and Tristan da Cunha.

g/ For statistical purposes, the data for China do not include Hong Kong and Macao Special Administrative Regions (SAR) of China.

h/ Hong Kong Special Administrative Region of China.

i/ Macao Special Administrative Region of China.

j/ Referring to the Vatican City State.

k/ The former Yugoslav Republic of Macedonia.

l/ Including Christmas Island, Cocos (Keeling) Islands and Norfolk Island.

m/ The population of Pitcairn is 68 persons in 2000.

Migrant Stock: The letter code indicates the type of data underlying the estimates: B (birthplace): indicates the data refer to the foreign born; C (citizenship): indicates the data refer to non-citizens; I (imputed): indicates no data were available and estimated by a model.

Sources and Definitions:

Total Population: The total mid-year de facto population. Source: Population Division of the United Nations Secretariat, World Population Prospects: The 2000 Revision, Volume I: Comprehensive Tables, Sales No.E.01.XIII.8. 2002. Data available online at: <http://www.unpopulation.org>.

Migrant stock: Number: For most countries, the mid-year estimate of the number of people who are born outside the country. For countries lacking data on place of birth, the estimated number of non-citizens. In both cases, migrant stock also includes refugees, some of whom may not be foreign-born. The letter code indicates the type of data underlying the estimates: B (Birth place): indicates the data refer to the foreign-born; C (Citizenship): indicates the data refer to non-citizens; I (Imputed): indicates no data were available and estimated by a model.

Per cent of population: the migrant stock as a percentage of the total population. Source: Population Division of the United Nations Secretariat. Data available online at: <http://www.unpopulation.org>

Number of Refugees: Persons recognized as refugees under the 1951 Convention relating to the status of Refugees or the 1969 Organization of African Unity Convention Governing the Specific Aspects of Refugee Problems in Africa; those granted refugee status in accordance with the United Nations High Commissioner for Refugees (UNHCR) Statute; and those granted humanitarian status or temporary protection by the State in which they find themselves. Also included are Palestinian refugees registered with the United Nations Relief and Welfare Agency (UNRWA). Sources: UNHCR, Refugees and others of concern to UNHCR, 2000 Statistical Overview. Data available online as of 29 August 2002 at: <http://www.unhcr.ch/statistics>; UNRWA, Public Information Office, Figures as of 31 December 2000, data available online as of 29 August 2002, at: <http://www.un.org/unrwa/pr/index.htm>

Net migration: Number: Net average annual number of migrants, that is, the annual number of immigrants less the annual number of emigrants, including both citizens and non-citizens. **Rate:** The net number of migrants, divided by the average population of the receiving country. It is expressed as the net number of migrants per 1,000 population. Source: Population Division of the United Nations Secretariat, World Population Prospects: The 2000 Revision, Volume I: Comprehensive Tables, Sales No.E.01.XIII.8. Data available online at: <http://www.unpopulation.org>.

Workers' remittances: Current monetary transfers made by migrants who are employed or intend to remain employed for more than a year in another economy in which they are considered residents. The data adhere to international guidelines; workers' remittances shown here may differ from national practices. This item shows receipts by the reporting country. Data are in current U.S. dollars. **Per cent of gross domestic product:** the percentage of the gross domestic product attributable to workers' remittances. Source: International Monetary Fund, Balance of Payments Statistics Yearbook, 2001(Washington, D.C., 2001). See: <http://www.imf.org/external/np/sta/bop/bop.htm>; Statistics Division of the United Nations Secretariat. See: <http://unstats.un.org/unsd/nationalaccount/default.htm>

Governments view on immigration level: Governments assessment of the current level of overall immigration into the country. It is divided into three categories: too low, satisfactory and too high. **Policy on immigration:** Refers to Government policies towards the current level of immigration for permanent settlement. It is divided into four categories: to raise the level of immigration; to maintain the level of immigration; to lower the level of immigration; and no intervention. Source: Population Division of the United Nations Secretariat, National Population Policies 2001, Sales No. E.02.XIII.2. Data available online at: <http://www.unpopulation.org>.

Governments view on emigration level: Governments assessment of the current level of overall emigration from the country. It is divided into three categories: too low, satisfactory and too high. **Policy on emigration:** Government policies towards nationals leaving for residence outside the country. It is divided into four categories: to raise the level of emigration; to maintain the level of emigration; to lower the level of emigration; and no intervention. Source: Population Division of the United Nations Secretariat, National Population Policies 2001, Sales No. E.02.XIII.2. Data available online at: <http://www.unpopulation.org>.

Parties to United Nations instruments: Indicates whether a country has ratified the relevant instrument and if so, the year ratified. The relevant instruments are: the 1951 Convention relating to the Status of Refugees (1951C); the 1967 Protocol relating to the Status of Refugees (1967P); and the 1990 International Convention on the Protection of the Rights of All Migrant Workers and Members of their Families (1990C). In addition, two Protocols supplement the United Nations Convention against Transnational Organized Crime; namely, the 2000 Protocol against the Smuggling of Migrants by Land, Sea and Air and the 2000 Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children (2000P). Excepting Venezuela, all countries which ratified one Protocol, ratified the other Protocol and on the same date. Ratification includes acceptance; approval, accession or succession. Ratification is the act whereby a State indicates its consent to being bound to a treaty if the parties intend to show their consent by such an act. Source: United Nations Treaty Collection. Data available online, as of 1 September 2002, at: <http://untreaty.un.org>.

25 percent foreign-born is Saudi Arabia, itself a country of only 20 million but one that has pursued policies---like other but far smaller Gulf states such as the UAE, Qatar, and Kuwait---favoring very large-scale importation of foreign labor on temporary work permits. The Western country with more than 20 million residents that shows the largest percentage foreign-born is Canada, at 18.9 percent (Australia, at 24.6 percent, should be mentioned as well; its 2000 population of 19 million just missed the 20 million cutoff.).

If we further restrict attention to the large-population countries in this table (defined arbitrarily as more than 50 million), the percentage foreign-born exceeds 10 percent only in Ukraine (14.0 percent⁹), the United States (12.4 percent), and France (10.6 percent). The large-population Russian Federation reports 9.1 percent,¹⁰ and Germany 9.0 percent. Only a few others report more than 5 percent foreign stock.

What plausible futures can be foreseen?

Would it be reasonable for this Board to assume that the patterns and trends of international migration over the past half century, the results of which are summarized above, will continue for the next half century? Or should we anticipate substantial changes over a time horizon of many decades?

In my opinion, it would be most unwise to assume that past patterns and trends in international migration will remain constant over the next 5-7 decades. International migration has been changing rapidly over the past half century. Some flows, especially of “refugees” and “asylum-seekers”, have been particularly volatile. Continuation of this pattern of change is more likely than continuity of recent patterns and trends in international migration.

Yet it is only fair to say that no one has any way of knowing how migration trends will change. Most prognostications as to future migration trends have been based on relatively unconvincing arguments based on theoretical perspectives emanating from one or another social science. A very useful summary of such theoretical perspectives has been provided by a committee of the International Union for the Scientific Study of Population.¹¹ Many theoretical treatments of international migration have been further blurred by inclusion of speculations as to the long-term future of global, regional, and national economies and politics, e.g. what does a given author see as the future of “globalization” or of the “nation-state”? Additional issues, including the roles played by states in initiating, expanding or moderating international migratory movements, are discussed elsewhere by the present author.¹²

One increasingly popular line of theoretical argument is that given that fertility rates are now at very low levels in a number of large developed countries, e.g. Japan, Italy, Germany, such countries will have to encourage (or at least allow) increased levels of immigration. The argument, whether explicit or implicit, is that countries will do so:

- To meet their labor force needs,

⁹ But see qualification of this estimate in Footnote 5.

¹⁰ But see qualification of this estimate in Footnote 5.

¹¹ See Douglas S. Massey, et al., “Theories of International Migration: A Review and Appraisal”, Population and Development Review, 19, 1993, pp. 431-466.

¹² Michael S. Teitelbaum, “International Migration: Predicting the Unknowable”, in Myron Weiner and Sharon Stanton Russell, eds, Demography and National Security (New York and Oxford: Berghahn Books, 2001), pp. 21-37.

- As an inevitable consequence of increasing economic and political integration,
- And/or as a means of financing pay-as-you-earn pension systems that are otherwise fiscally unsustainable given low fertility rates.

Yet equally plausible counter-arguments to such theoretical forecasts are not difficult to identify, e.g.:

- that the low fertility rates in many such countries are driven in part by deferment of births and are hence temporary;
- that grassroots opposition to immigration will prevent its increase;
- that pension systems that are unsustainable under current provisions can be expected to be restructured by modification of benefit schedules, graduate increases in retirement age, additional sources of tax revenues, etc.

As to the merits of such debates about the long-term future, I believe it is fair to say that the jury is still out.

Finally, even if one were to assume for sake of argument that immigration numbers would indeed show continuing increases into the distant future, such assumptions would not allow accurate assessment of the implications for Social Security projections. In addition to assumptions about immigrant numbers, one would also have to make assumptions, based almost entirely upon speculation and guesswork, as to key characteristics that would be embodied in such future immigrants. For example, any such projections would need to include assumptions as to such future migrants' levels of education, skills, earnings potential, and hence taxpaying potential.

Can we credibly anticipate the future of immigration?

My view is that a hefty dose of humility is in order in this domain. As this Board is more than fully aware, no one yet has done all that well in forecasting the future course of fertility and mortality rates, at least beyond a couple of decades. Indeed, though it may be painful to acknowledge, past efforts at such foresight have even managed to miss quite fundamental shifts, i.e. they were off base not only about absolute rates or rates of change, but even about the very direction of change. For example, I believe that no one - --even 20 years in advance---correctly anticipated:

- the 1950s Baby Boom
- the 1960s Baby bust
- the current pattern of higher fertility rates in countries such as the U.S. and U.K. vs. other comparably developed countries such as Germany, Japan and Canada.

Nor, I believe, did anyone 20-25 years in advance correctly anticipate the rapidity of recent increases in life expectancy at age 65 or 70 in many Western countries; nor the stagnation or in some cases the increase in mortality rates in several Eastern bloc

countries, especially the former Soviet Union; nor of course the devastating mortality and morbidity consequences of the HIV/AIDS epidemic in sub-Saharan Africa.¹³

These failures to anticipate powerful shifts and trends in fertility and mortality are sobering enough for anyone disposed to plug long-range demographic projections into economic, environmental, or other models. Yet immigration is even harder to anticipate than are fertility or mortality.

There are a number of reasons for this. The first is that empirical data on immigration are generally far less complete and accurate than those for fertility and mortality (at least those for most developed countries). This means we have weaker baseline data and recent rates on which to base forward projections.

A second reason is that, unlike mortality, immigration is reversible. This means that data on gross flows of immigrants—the most common type of data governments do collect—can be very misleading if interpreted as net migration. Yet data on emigration are usually even weaker than those on immigration.

A third reason is more conceptual: in general, there are only the slightest of ambiguities in assessing whether a person is born, or another dies; neither event is usually a matter of opinion or intention. But the meaning of “immigration” is far less clear conceptually than is “birth” or “death.” At what point should a person who has entered a given country be counted as an “immigrant? In some settings, this is treated as a juridical matter based on citizenship or the issuance by governments of a visa or other permission to reside permanently. In others, distinguishing an “immigrant” from a “visitor” depends upon rather loose definitions of “purpose” (is the person entering with the intent of establishing residence?), or simply based upon the passage of an arbitrary length of stay.¹⁴

Finally, and perhaps more controversially, it can be argued that immigration patterns are powerfully affected by the policies and practices of governments, in a way that is not the case for either fertility or mortality. I hasten to add that this is a view that is not shared by all students of immigration. To the contrary, some see international migration as a “global flow” that is so powerful as to exceed the limited capacities of governments to intercede.

This is a longstanding academic debate that cannot be resolved here, of course, but let me state my opinion: I believe the evidence is overwhelming that governments do indeed have very powerful impacts upon the patterns, rates, and directions of international migration. This does not mean that the enforcement mechanisms adopted by many liberal democracies effectively control unlawful entries and visa abuse. To the contrary: all the evidence available suggests that in many such countries effective enforcement is very difficult in political terms.

¹³ Thomas Buettner and Hania Zlotnik, “Prospects for increasing longevity as assessed by the United Nations,” *Genus*, LXI (No. 1), January-March 2005, p. 213.

¹⁴ The UN in 1998 proposed dividing international migrants into “long-term migrants” defined as persons who move to a country other than his/her usual residence for a period of at least a year, and a “short-term migrants” as those who move for at least three months but less than a year. Only a few countries have so far embraced these definitions in their data reporting. United Nations, Department of Social and Economic Affairs, Population Division, *International Migration Report 2002*, ST/ESA/SER.A/220, New York: United Nations, 2002, p. 11.

However, governmental actions nonetheless do have major impacts upon migration patterns. Consider that all the large countries with substantial percentages of foreign stock have pursued policies favoring large-scale immigration or guest worker admissions. Consider too that there is proportionately far more migration to the US mainland from Puerto Rico than from the nearby Dominican Republic, even though wage and employment differentials between Puerto Rico and the mainland are far smaller than those between the Dominican Republic and the US mainland. (Puerto Ricans are US citizens by birth and free to migrate to the mainland without restriction, while Dominicans either must obtain visas or enter in violation of US law---indeed, many Dominicans reach the mainland unlawfully by first gaining entry to Puerto Rico in small smuggler boats plying the Mona Straits.)

The policies implemented by countries of origin also are important. Consider the likely numerical outcome on global and regional migration flows if the government of the Peoples Republic of China were to make passports easily available to all Chinese nationals, or if the Mexican government decided to restrain the northward emigration of its nationals to those with authorization to enter US territory.

Having said that, there is also ample evidence that the actual effects of changes in governmental immigration policies have often turned out to be very different---sometimes even the opposite---of what those involved in the framing of such policies intended (or, at least, what they said they intended). The German and other European governments did not intend to admit millions of permanent residents when they embraced temporary “guest worker” programs during the 1960s and early 1970s. The U.S. Congress had very different expectations for its 1965 and 1986 immigration reform acts than eventuated from them. The UK government did not anticipate large and sustained flows of permanent immigrants from the Caribbean and South Asia when it enabled employers such as London Transport and Northern textile manufacturing firms to recruit workers from these regions.

If one accepts the general proposition that policy decisions have important impacts upon the rates, patterns and directions of international migration, this means that the future of immigration movements depends not only on the economic, social and demographic forces that dominate most academic theories of immigration, but also importantly upon political processes in countries of both origin and destination. This in turn implies that adequate forecasting about immigration would require predictions about political developments many decades from now. If anyone here believes he/she can correctly predict the politics relevant to immigration in countries such as the U.S., Italy, Japan, Germany, UK, or China in 2025, I’d like to learn from them... It is for this reason that I have elsewhere described such ambitious forward looks as “predicting the unknowable.”¹⁵

Will the U.S. be able to attract the quantity and quality of migration to meet its future workforce needs over the long term?

The question of course assumes that in the future the US will need migration of specifiable quantity and “quality” in order to meet its workforce needs. The only way one could provide a sensible answer to this question would be to first develop credible

¹⁵ Michael S. Teitelbaum, “International Migration: Predicting the Unknowable”, op cit.

ways to estimate the future “workforce needs” of the US over the long term, then to compare such estimated “needs” with equally credible long term projections of the native-born workforce, broken down by occupation, education and skill levels. I respectfully submit that no one has the capability of meeting either of these challenges.

The most substantial efforts of this kind are undertaken by the Bureau of Labor Statistics (BLS), which on a regular basis seeks to develop a 10-year forward look at the occupational demands of the US economy. One can only admire the efforts of those involved; they are sophisticated professionals who apply to this challenging task the best data and modeling tools available. They also, admirably enough, conduct serious retrospective evaluations of their past projections. So far these have assessed BLS projections of employment only up to the year 2000, and hence have not addressed those undertaken for the more recent past, especially for the years after the high-tech bust beginning in 2001. For its past 10-year projections up to the year 2000, the BLS assessment is that they were “reasonably accurate, correctly capturing most general occupational trends....The primary source of error was the projection of changes in the utilization of occupations by industry, or staffing patterns, rather than the projections of industry employment themselves.”¹⁶

However, the BLS assessments also frankly acknowledge that they have been less credible for trends in more detailed occupations, and especially for those in rapidly-changing industries or involving dynamically-changing technologies. For example, if one compares the BLS projections for the ten-year period 2002-2012 with those for the decade 2000-2010, completed only two years earlier, it can be seen that in this brief two-year span the BLS incorporated substantial downward revisions to the assumed growth in demand for employment in computer and IT fields, with of course substantial implications for the 10-year projection outputs.

In any case, whatever the strengths and weaknesses of the BLS occupational projections, for the purposes of this discussion they address a time horizon of only 10 years---far too short for the long-term questions being asked by this Board.

What can we say with reasonable assurance with respect to the implications of current and future immigration trends for future U.S. workforce patterns? (The Board staff posed the question as follows: “...to the extent that we can look out into the future, what does the global workforce look like and what are the implications for policies that would assist our economy in competing for the workforce it is likely to need?”)

As to what the “global workforce looks like”, I took this question to be focused upon the global workforce with high skills/education, and especially in science and engineering. For a fine summary of what is known about this question, I refer you to a recent working paper by Richard Freeman of Harvard and NBER.¹⁷

How does current US immigration policy intersect with workforce questions? Overall, the skills outcomes of US immigration policy might be described as bimodal. The skill composition of immigrant flows, at least as measured by education, has two prominent peaks: a large one at very low levels of skill/education, and a smaller peak at high levels of skill/education.

¹⁶ Alpert, Andrew and Auyer, Jill, "Evaluating the BLS 1988-2000 employment projections" *Monthly Labor Review*, October 2003, p. 13. <http://www.bls.gov/opub/mlr/2003/10/art2full.pdf>

¹⁷ Richard B. Freeman, “Does globalization of the scientific/engineering workforce threaten US economic leadership?” NBER Working Paper, June 2005.

Some advocates assert that higher percentages of immigrants than native-born have advanced degrees, which is quite true, but partial. Other advocates assert that higher percentages of immigrants than native-born have not completed even primary education, or are illiterate. This too is quite true, but partial.

Some advocates claim that the US is facing a “shortage” of low-skill workers (these claims tend to come from employers in industries such as labor-intensive agriculture or hotels/restaurants....) Leaving aside the truth value of such claims, the demography of the world is such that it would be quite easy to import almost any number of such workers---as may be seen from the estimated stock of 8-11 million undocumented workers, heavily unskilled and from Mexico, who have accumulated simply due to ineffectual immigration laws and law enforcement.

Other advocates claim the US is facing a “shortage” of high-skill workers (these claims tend to come from industries such as information technology, software, computing, healthcare, higher education, etc.). Again leaving aside the truth value of these claims,¹⁸ the rapid growth of populations with bachelor’s or higher degrees in engineering and science in very large countries such as China, and empirical evidence that hundreds of thousands of such workers are readily available (even on temporary visas under the H-1B program), again suggest that it would not be difficult to implement policies to import very large numbers of such workers should such a need arise.

What is far harder to foresee is the extent to which there will be real “need” for substantial numbers of such imported workers in the US economy of the future (as distinct from demand by employers to be able recruit skilled employees with lower wage/benefit costs). To achieve credible foresight, we would have to be able to anticipate not only the long-term trajectory of economic growth in the US, but also the extent to which the staffing patterns of US employers by industry may shift as a result of the phenomena now known as “globalization” and “offshoring”.

There is, of course, ample historical experience that major industries in a given country and time can be destroyed by new technologies or changing tastes. In addition, however, such industries can themselves essentially migrate from one country to another. Such phenomena have long been experienced in both agriculture and manufacturing (e.g. the departure of much of grain farming and textile manufacturing from the UK in the 19th and 20th centuries; of consumer electronics from the US during the 1970s and 1980s; of the British auto industry during the last 30 years, etc.)

Of course the bulk of the current US workforce is no longer engaged in either agriculture or manufacturing. The service sectors now dominate. The phenomenon of “offshoring” refers to the increasing technological ease and rapidly declining costs of shifting production and large fractions of employment in the services sectors (e.g. business processes, accounting, etc.) and in high-tech industries (software, information technology) to lower-wage settings. The future magnitudes of this phenomenon are hazy and indistinct. Indeed there are wildly differing estimates as to the true net cost savings involved, of the implications for quality, and about the net implications for the overall US economy. While the future of offshoring is fundamentally unknowable, recent trends

¹⁸ For the author’s assessment of such claims, see Michael S. Teitelbaum, “Do we need more scientists?”, Public Interest, 153, Fall 2003, pp. 40-53.

suggest it would be unwise to blindly assume continuous proportional growth of such employment within the US.¹⁹

Finally, it is important to understand that there are feedback loops between domestic workforce trends and immigration policy that are often overlooked. A policy (explicit or implicit) that results in increased entry of foreign workers in a given occupation should be expected, other things equal, to encourage current domestic workers to move to other occupations (or regions) and also deter new domestic entrants. This phenomenon has long been obvious for the workforce in California fruit/vegetable agriculture. A more muted form may be appearing in some science, engineering and information technology occupations, especially those that have experienced large influxes of foreign workers and students, whether permanent or temporary. At the margin, native-born students who previously might have pursued such career paths may be choosing careers in other fields. This too is hazy and indistinct, and the future also unknowable, but again it would be unwise to simply ignore the possibility of such feedback loops in any long-range projections.

To summarize: Of the three primary forces that affect national demographic change---fertility, mortality, and immigration---immigration has the most deficient data. It is also the one most affected by policy and politics. While it is true that US fertility rates over the past 50-70 years have proven to be quite unpredictable, and may continue to be so over the coming half century, immigration rates seem fated to be even more so.

If one overlays upon such a fundamentally unknowable demographic future the further uncertainties that necessarily surround the US economy and its long-term labor force needs, and couples this reality with the feedback loops that likely will affect future career choices by the native-born population, the prospects are indeed daunting for constructing credible long-range forecasts of immigration to the United States.

¹⁹ See Brookings Trade Forum 2005:Offshoring White-Collar Work — The Issues and the Implications, edited by Lael Brainard and Susan M. Collins (Washington: Brookings Press, revised August 9, 2005). <http://www.brookings.edu/es/commentary/journals/tradeforum/agenda2005.htm>